

# TENNESSEE REGULATORY AUTHORITY

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T.R.A. DOCKET ROOM

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

January 14, 2005

Thomas M. McElroy  
Attorney At Law  
301 North Broadway  
P.O. Box 1450  
Tupelo, Mississippi 38802-1450

RE: Docket No. 04-00037 – Counce Natural Gas Company's Amended Petition to Increase Rates and Revised Rules and Regulations

Dear Mr. McElroy:

On January 5, 2004, you submitted on behalf of Counce Natural Gas Company ("Counce") a depreciation study as instructed by Hearing Officer Richard Collier in his September 1, 2004 order in the above docket. However, the information supplied is incomplete. The order states on page 7 that a depreciation study is needed "in order for the TRA to set depreciation rates on new plant additions." We will need the following information in support of Mr. Swetz's proposed depreciation rates for Counce.

For each FERC account number, provide:

- (1) Experience relied on by management
- (2) Copy of Internal Revenue Service regulations relied on
- (3) List of other utilities polled, along with the applicable rates used by each one for each FERC account number in Counce's proposal

Please submit an original and thirteen copies addressed to the Chairman's office by January 25, 2005. If you have any questions regarding this request, please contact David Foster at extension 188 or Pat Murphy at extension 178.

Sincerely,

Darlene Standley, Chief  
Utilities Division

Pm05-05

cc: Richard Collier  
Mike Horton  
Stephen Swetz

Telephone (615) 741-2904, Toll-Free 1-800-342-8359, Facsimile (615) 741-5015  
www.state.tn.us/tra